

at the right time. Just as the economy was, you know, declared stagnant and dead in the water, we got a tax cut going, which means people have got more money to spend, which means it's kind of a boost in the arm for our economy. And I wish I could say we're out of recession. I don't think we are. But there are some positive signs happening.

So, all in all, I guess what I'm telling you is, one, I love being your President. I want to thank you for helping me get there. And I am incredibly optimistic, optimistic about the country, optimistic about peace, optimistic about our future. I just feel so strong, and it's great to be a President of a land of so many good people. And they don't even have to be Republican,

as far as I'm concerned—[laughter]—people from all walks of life.

So thanks for greeting Laura and me. Thanks for giving us a good sendoff as we go on to this important foreign policy trip. And may God bless you all. Thank you.

NOTE: The President spoke at 1:45 p.m. in the Gathering Place at the Alaska Native Heritage Center. In his remarks, he referred to Alaska gubernatorial candidate Senator Frank H. Murkowski, who introduced the President; Mayor George Wuerch of Anchorage; and James P. Hoffa, general president, and Jerry Hood, special assistant to the general president on energy policy, International Brotherhood of Teamsters.

The President's News Conference With Prime Minister Junichiro Koizumi of Japan in Tokyo, Japan February 18, 2002

Prime Minister Koizumi. This is my fourth meeting with President Bush, and we engaged in very candid and very friendly talks, and very useful meeting it was. I was able to renew our friendship and cement further our relationship of trust and reaffirm the importance of Japan-U.S. alliance.

In the fight against terrorism, Japan, on its own initiative, has been cooperating with the United States and in cooperation with the international community to eradicate terrorism. And we shall continue with this firm resolve and firm stance to fight against terrorism in the days ahead, as well.

I expressed my respect for the strong leadership that President Bush has exercised to date. On September the 11th, these unforgivable terrorist acts took place. But in this fight against terrorism, we shall continue—we shall need to sustain our cooperation, and under international coopera-

tion we need to carry forward this fight against terrorism.

On these points, again, we saw eye to eye. On the issue of Afghanistan, the roles that Japan and the United States play will differ, but we should complement each other in order to make our own contributions to the reconstruction and rehabilitation of Afghanistan.

Turning to East Asia, as a whole, the relationship between Japan and East Asia is important for the stability and the peace in the world. Japan attaches importance to our relations with China and Korea, and the close coordination between Japan and China and Japan and Korea is something that I would also like to work on to further strengthen.

On North Korea, Japan, through cooperation and coordination with the United States and Korea, would like to work on normalization of relations with North Korea.

With regard to China, we welcome China's accession to WTO, and it will be hosting Olympic games in the future, as well. And I very much hope that China will play important roles in the international community and also play its part in the international community, recognizing its important responsibilities. In considering the future of friendly ties between Japan and China and Japan and Korea, we also agree that Japan-U.S. relations would be very important.

And turning to economic issues, economic revitalization in Japan to imbue confidence once again in the Japanese economy, this is the greatest mission given to my Koizumi administration. Whether my support is high or low, I shall not slacken this structural reform efforts that I've made. This policy of structural reform will not change whatsoever. I explained this to President Bush, the measures against deflation and measures to prevent the financial unrest, but we will do all our best in this regard. So there will be absolutely no change to the structural reform efforts that the Koizumi administration has maintained. In fact, it may only be strengthened, but it will not change; the policy will not change.

Ten years ago, Japan perhaps was a little overconfident. Today, Japan has lost confidence in itself. But Japan has to regain confidence in itself, and with hope, if we work on the structural reform, then definitely Japan shall be able to revive its economy. And the potentials of Japan can also come to the fore. And it is to that end that the Koizumi administration has been working on structural reform. And President Bush has shown his understanding towards this and has expressed his strong support for this policy of mine.

On global challenges, there is the global warming issue and Kyoto Protocol question. The United States has come up with a very positive proposal. The problems of environment and the problems of economy, these should proceed hand in hand, and they

should not run counter to each other. On the future problems of the globe, the technological development in the interest of the environment will produce economic growth.

So economy and the environment do not run against each other. Rather, efforts to improve the environment will bring about science and technology—development in science and technology and, thus, also generate greater economic development. This perspective should not be lost.

Japan will aim at achieving both economic growth and environmental improvements. So Japan welcomes the positive proposal on global environment issue, and we appreciate the stance shown by the United States to contribute on that front, and we'll expect greater efforts in that respect.

On the environmental questions, economic questions, and so on, in these broad areas Japan wishes to engage in discussions with the United States and cooperate with the U.S. So I was able to have very candid exchange of views on all these and numerous other issues.

This, as I said, was our fourth meeting, but I feel as if we've met each other umpteen times already. In fact, we were able to exchange views on almost anything. Our relations are built on a deep mutual trust, and building on that, we'd like to further develop our relations. And I believe it will be important for Japan and the United States to cooperate on these and numerous other issues, because in doing so we'll contribute not just to Japan and the United States but to the entire world as well. And I think it was a great meeting.

President Bush. Thank you very much, Mr. Prime Minister. It is a real pleasure and honor to begin my trip to Asia here in Japan. And the reason why our first stop is here in Japan is because Japan is one of America's greatest and truest friends.

I also want to thank my friend the Prime Minister. He is a man whose word I trust, a man whose advice I seek, and a person with whom I've got good personal relations.

And I want to thank you for your friendship and your generous hospitality.

I believe the U.S.-Japanese alliance is the bedrock for peace and prosperity in the Pacific. Japan is a generous host to America's forward-deployed forces, providing an essential contribution to the stability of Asia. This enduring partnership benefits both our countries, but it also benefits the world. The peace of the world is now threatened by global terror. And we have had no better friend, and nobody provides such steadfast support than the Japanese Government.

I remember the phone call, Mr. Prime Minister, you gave me when I was in the Oval Office. It meant so much to hear—in this right after 9/11, it meant so much to hear your voice and your steadfast support, which has not wavered. And I want to thank you and the Japanese people for that.

Japan also understands that in order to complete the first theater in the war against terror, that we must help Afghanistan rebuild. And I want to thank you, Mr. Prime Minister, and your government for hosting a very important conference. Today we had a—we spent some—a good deal of time talking about how to make sure that the Afghanistan of today, the post-Taliban Afghanistan, is stable and has a chance to achieve prosperity and security and peace for her citizens. And Japan plays an incredibly important role in that.

Japan also has aided people throughout the world. Japan is a generous nation, helping the developing nations with health and education needs, and for that we are also very grateful.

Prime Minister Koizumi and I not only reaffirmed the importance of the Japanese-United States security alliance; we also talked about our economies. I told him that our economy is still in a recession, but there are some hopeful signs that we're recovering. There are some signs that the tax relief plan that we put in place is having

a positive effect, so that we're beginning to see some growth.

I also, obviously, talked to him about his strategy for the Japanese economy. And he mentioned about confidence. Well, let me tell you what my confidence level is like: I'm confident in this man's leadership ability; I'm confident in his strategy; and I'm confident in his desire to implement that strategy. And when he implements the strategy, it will help Japan's economy a lot. And that's important. It's important not only for our bilateral relations; it is important for the world's second largest economy to grow. It'll help the region, and it will help the world.

And so, Mr. Prime Minister, it is my honor to come to your beautiful country. I want to thank you very much for your hospitality. Laura thanks you for your hospitality, as well. And I look forward to our meeting tonight and the chance to speak to the Diet tomorrow. And as importantly, I look forward to meeting the Imperial Majesties, the Emperor and the Empress.

Thank you, sir.

Prime Minister Koizumi. Thank you very much. Do you have any questions, please?

Reforming Japan's Economy

Q. First, a question for President Bush. In the early meeting, did you make any specific—did you ask the Prime Minister to take any specific actions on the Japanese economy? Much is said about the triple lows for the Japanese economy, and some speak of an impending financial crisis. Which would you like Japan to give priority to, structural reform or antideflation measures? And Prime Minister Koizumi, what sort of balance do you intend to strike?

President Bush. First of all, before I had a chance to bring up the economy, the Prime Minister brought up the economy. In our private discussion, he said, "I want to make it very clear to you exactly what

I intend to do.” And he talked about non-performing loans, the deflation* issue, and regulatory reform, and he placed equal emphasis on all three.

And I’m not here to give advice. I’m here to lend support. When he looked me in the eye and told me that he is going to take measures necessary to improve in all three regions, I believe him. I believe that’s his intent. And that is good news, because it’s going to require a strong leader to deal with the difficult problems facing the Japanese economy.

Q. Mr. Prime Minister?

Prime Minister Koizumi. He asked about structural reform or measures against deflation. That question, itself, I think is built on a wrong perception. Whatever the situation may be, Japan needs to carry through its structural reform. Of course, there are many activities that are going on where Government is not involved, and we can invite the private sector to come into areas that were covered by the Government, and we should carry forward regulatory reform, as well. And there will be, of course, confrontation with the vested interest.

Whatever measures we may take, financial measures or deflationary measures or fiscal policy measures or what, changes will not take place. So it’s not really a question of which should be given priority, structural reform or deflationary measures. Whatever the situation may be, we have to implement a structural reform. So the Koizumi administration will never slacken its efforts to work on structural reform.

I hope you understand that point full well. Some might think that I’m going to shift from structural reform measures. I’m aware of those voices, but that will never happen. Whatever the situation, structural reform needs to be implemented, and without that, there cannot be economic revival of Japan.

And having said that, deflationary measures or monetary easing, these are meas-

ures needed to accelerate structural reform. So whatever the situation may be, I will never slacken the structural reform.

Q. Mr. President, you expressed confidence in the Prime Minister again today. But he’s been in office for about a year now, and he’s been unable to enact structural reforms. Why do you think it’s taken so long for the Japanese Government to enact the reforms you’re talking about?

And to the Prime Minister, you called the President’s alternative to Kyoto a positive proposal. That given, do you think the world’s environment would have been better off if America had signed on to Kyoto?

President Bush. The second question is moot. What was the first question? [*Laughter*]

Q. Why has it taken—

President Bush. Oh, that’s right, yes. Listen, sometimes it is very difficult to get a reform package done in any society, but particularly structural reform. And what the Prime Minister is proposing is a bold agenda, and it takes somebody who’s willing to spend capital, political capital, to get the agenda done.

So I am—my main focus of this meeting was to judge intent and desire and willingness to work hard to achieve a bold agenda. And having listened to the Prime Minister at length today and looked him in the eye, I feel very confident that that’s precisely what he is going to do, pursue a bold agenda.

And sometimes it is not easy to get others to follow, but that’s his job, is to lead. And he knows that. And that’s why, one, I like him a lot, because I appreciate bold leadership. And secondly, he is going to stay the course, and that’s important as well.

Prime Minister Koizumi. Well, some might say we’re slow, but we’re moving steadily. It’s been less than one year. Many people say there haven’t been tangible results. But look at Thatcher reform or Reagan reform; none of these reforms were achieved within a year or two. In fact, the

* White House correction.

results of the Reagan reform came to fruition after he had retired. So it's been less than one year, and I would like to say that we are making steady progress. Of course, in certain areas we can achieve results in 9 or 10 months. But I hope you understand that there are areas where we have been making steady progress. Of course, there is a need for coordination with the Diet, with the parliament. And there are areas where we cannot proceed without their approval, but we are proceeding steadily. And of course, we are striving to move forward our reform, but we're not falling behind at all.

As for the Kyoto Protocol, Japan has been very tough on the environmental questions, and we've been very active. I certainly understand the circumstances in the United States, but of course we will continue to work so that we can cooperate with the United States. It is a question for the United States to decide whether to take part in the protocol or not, but I hope we will continue with our efforts so that we can move in the same direction, as I said earlier. Both the economy and the environment can be improved together, and we'd like to see further efforts on the part of the United States.

Iraq, Iran, and North Korea

Q. A question for President Bush. You referred to Iraq as the axis of evil. And I wonder if in the meeting you referred to the possibility of exercising force and, if so, what did you say? And what role would you expect of Japan?

Mr. Koizumi, if the U.S. really exercises force, what specifically would Japan do?

President Bush. [*Inaudible*—talked about my speech I gave to the Congress. Japan is one of our strongest allies and close friend. And I explained to the Prime Minister that there are some nations in the world which want to develop weapons that will hurt the United States and/or our friends and allies, and we've got to stop them from doing so.

I also reminded him, in the speech I talked about the need for nations to come together, to work together. And I reiterate that, that we've got a coalition of freedom-loving nations that can work together to, hopefully, help them change their behavior. I also explained to him that all options are on the table and that I will keep all options on the table.

Other than that, there are—there's nothing else to talk about. We want to resolve all issues peacefully, whether it be Iraq, Iran, or North Korea, for that matter. And as you know, I'm going to the Korean Peninsula to talk about that very subject. On the one side of a parallel, we've got people starving to death because a nation chooses to build weapons of mass destruction; and on the other side, there's freedom. And it's important for those of us who love freedom to work with nations to convince them to choose freedom.

But I've also said that they should make no mistake about it, that we will defend our interests, and I will defend the American people. And that's what we talked about.

Prime Minister Koizumi. With regard to this axis of evil, again we exchanged our views very frankly. Iraq, Iran, North Korea, we exchanged our views regarding these countries very candidly.

The expression "axis of evil," I believe, reflects the firm resolve of President Bush and the United States against terrorism. President Bush, I believe, has been very calm and cautious vis-a-vis Iraq, Iran, and North Korea. He will not exclude any possibilities in order to prevent the proliferation of weapons of mass destruction, to prevent terrorism. He will resort to all possible means to fight against terrorism, and I believe this resolve was behind the expression "axis of evil."

Now, this fight against terrorism is not going to be a short one. I understand it's going to be a drawn out and tough fight. And Japan, together with the United States and the international community, will, on

its own initiative, cooperate very actively. And I believe Japan's role in the fight against or eradication of terrorism will be very important. And Japan shall continue to support the United States. So that's the sort of exchange of views we had.

Nature of the Coalition

Q. Mr. President, the French Foreign Minister called your "axis of evil" remarks simplistic, and a top European Union official has accused you of taking an absolutist position on this. If you do not get the kind of support that you just suggested from your allies, is the United States willing to go it alone?

President Bush. Well, first of all, the Secretary of State had, I thought, an interesting reply to the French Foreign Minister. And you might want to ask him afterwards what he meant by "vapors."

People who love freedom understand that we cannot allow nations that aren't transparent, nations with a terrible history, nations that are so dictatorial they're willing to starve their people—we can't allow them to mate up with terrorist organizations. In the war against terror, one of the worst things that could possibly happen is Al Qaida-like organizations becoming allied and operationally attuned to nations which develop—which have a weapon of mass destruction. Freedom-loving people understand that, and I'm going to continue making the case.

Now, listen, I understand what happens in the international arena; people say

things. But the leaders I've talked to fully understand, exactly, what needs to happen. They understand the resolve of the United States of America. They understand that our commitment is not just in Afghanistan, that history has given us a unique opportunity to defend freedom. And we're going to seize the moment and do it.

And I'm confident nations will come with us. Right here is a Prime Minister that has said he's our friend; he is a part of a coalition; and he's going to be steady in our coalition. And for that I'm very grateful. And the other world leaders I have talked to have expressed the same resolve and determination. And so I don't accept the hypothesis of your question.

Prime Minister Koizumi. Thank you very much. This concludes the press conference.

President Bush. But never mind. [*Laughter*] Thank you all.

NOTE: The President's news conference began at 2:07 p.m. in the Kantei, the Prime Minister's official residence. Prime Minister Koizumi spoke in Japanese, and his remarks were translated by an interpreter. In his remarks, the President referred to Emperor Akihito and Empress Michiko of Japan; and Minister of Foreign Affairs Hubert Vedrine of France. The President also referred to the Tokyo donors conference, the January 20–21 meeting of 61 nations which pledged \$4.5 billion for the reconstruction of Afghanistan. Prime Minister Koizumi referred to the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

Remarks to the Diet in Tokyo February 19, 2002

Mr. Speaker, Mr. President, Prime Ministers, distinguished members of the Diet, Ambassador and Mrs. Baker, Secretary Colin Powell and the American delegation, Japanese delegation, distinguished rep-

resentatives of the great people of Japan: Laura and I are honored to be here. And thank you so very much for your invitation, and thank you very much for the generous reception. Thank you so very much for the